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Wage Price Index, Australia

The WPI measures changes in the price of labour, unaffected by compositional shifts in the labour force, hours worked or employee characteristics

Reference period March 2023

Released 17/05/2023

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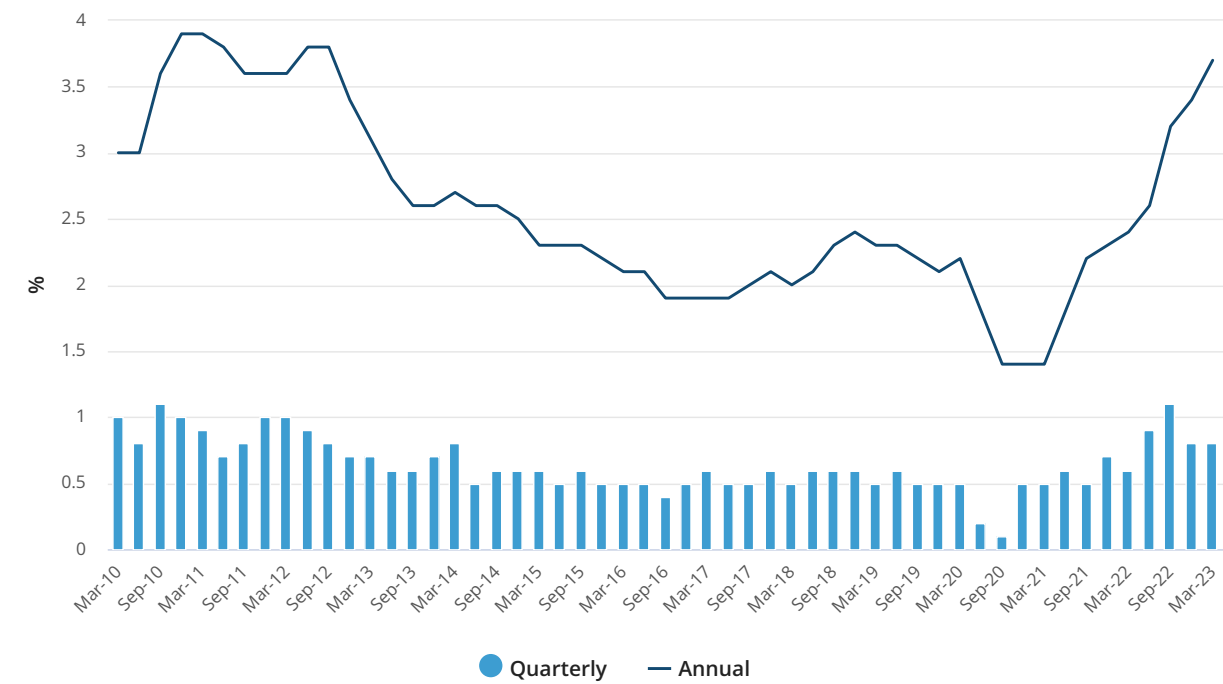
[Media releases](#)

Key statistics

- In March quarter 2023, the seasonally adjusted WPI rose 0.8% this quarter and 3.7% over the year.
- The private sector rose 0.8% and the public sector rose 0.9%.
- The most significant industry contributors to wage growth were Education and training (1.5%) and Professional, scientific and technical services (0.9%).

Main features

All sector WPI, seasonally adjusted, quarterly and annual movement



Wage Price Index (WPI) Total hourly rates of pay excluding bonuses

	Dec Qtr 2022 to Mar Qtr 2023 % change	Mar Qtr 2022 to Mar Qtr 2023 % change
Trend(a)		
Australia	0.8	3.6
Private sector	0.9	3.8
Public sector	0.8	2.8
Seasonally Adjusted(b)		
Australia	0.8	3.7
Private sector	0.8	3.8
Public sector	0.9	3.0
Original		
Australia	0.8	3.6
Private sector	0.7	3.8
Public sector	1.0	2.9

- a. See Interpretation of index numbers, Trend estimates on the [Methodology \(/methodologies/wage-price-index-australia-methodology/mar-2023\)](#) page.
- b. See Interpretation of index numbers, Seasonally adjusted indexes and Seasonal analysis methods on the [Methodology \(/methodologies/wage-price-index-australia-methodology/mar-2023\)](#) page.

Overview

Annual growth lifts across private and public sectors

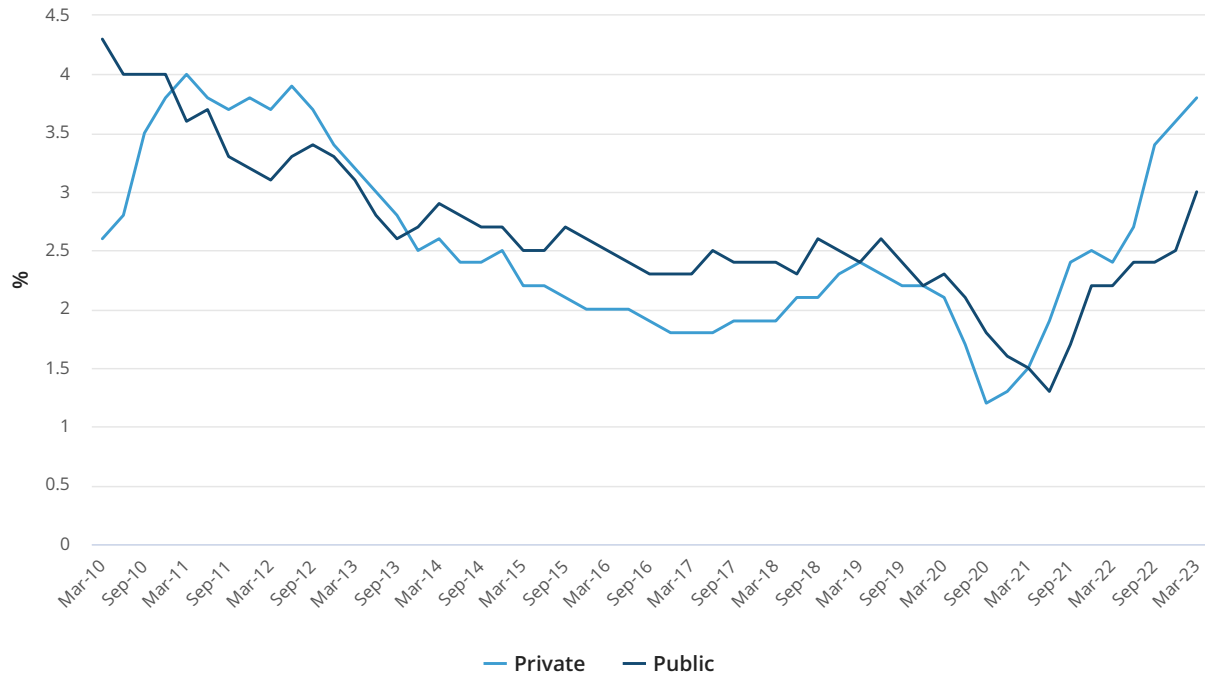
An increase in the size of average hourly wage change in both the private and public sector was the main driver of wage growth over the quarter.

Seasonally adjusted private sector wages rose 0.8% over the quarter. Annual growth lifted to 3.8%, from 3.6% in December quarter 2022. This is the highest annual growth recorded for the sector since June quarter 2012.

Public sector wages rose 0.9% over the quarter. Annual growth increased from 2.5% in the December quarter 2022, to 3.0% in the March quarter 2023. This is the highest annual growth since March quarter 2013.

While the public sector recorded higher quarterly growth, the much larger size of the private sector meant it was the main driver of Australian wage growth.

Annual wage growth by sector, seasonally adjusted

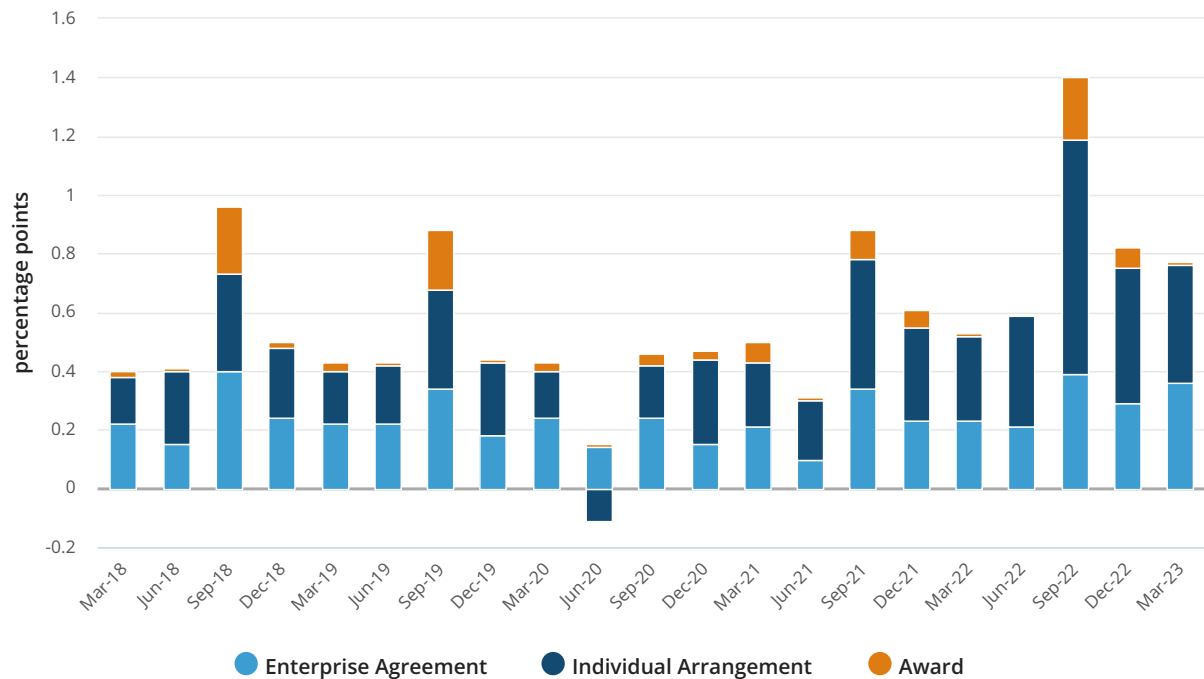


Increased contribution from enterprise agreements to total wage growth

Jobs covered by individual arrangement accounted for just over half of the recorded wage growth in March quarter 2023. A similar proportion of jobs covered by individual arrangements had a wage increase compared to the same quarter last year. However, there was higher growth for this group of jobs due to higher average wage increases, reflecting current labour market conditions.

A larger than usual March quarter contribution from jobs covered by enterprise agreement was driven by newly negotiated enterprise bargaining agreements across both sectors and changes to public sector wage caps.

Contributions to wage price index, by method of setting pay



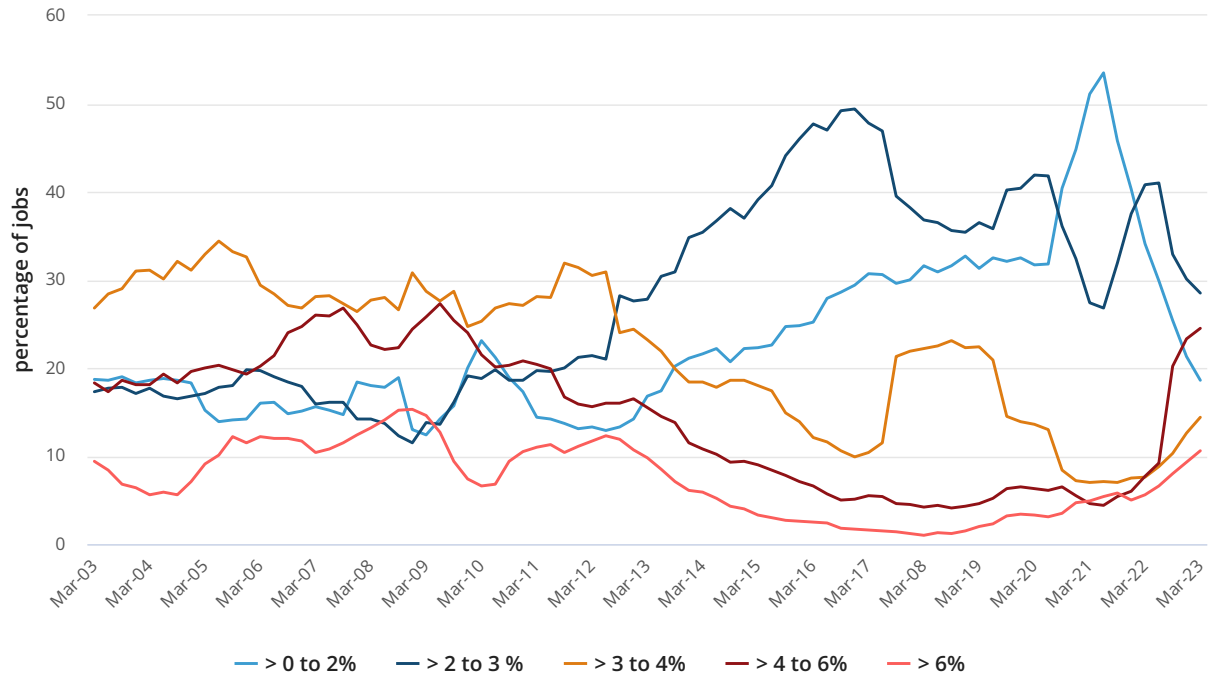
Share of jobs with a wage rise

The share of jobs receiving smaller wage rises has fallen, while the share of jobs receiving larger wage rises grew.

Wage outcomes over March quarter 2023 saw a continued lift in the share of jobs receiving wage rises of between 4 to 6%, which is the highest share since 2009.

The share of jobs with a wage rise of 2% or less has fallen from over 50% in mid-2021, to less than 20%.

Share of jobs with a wage rise

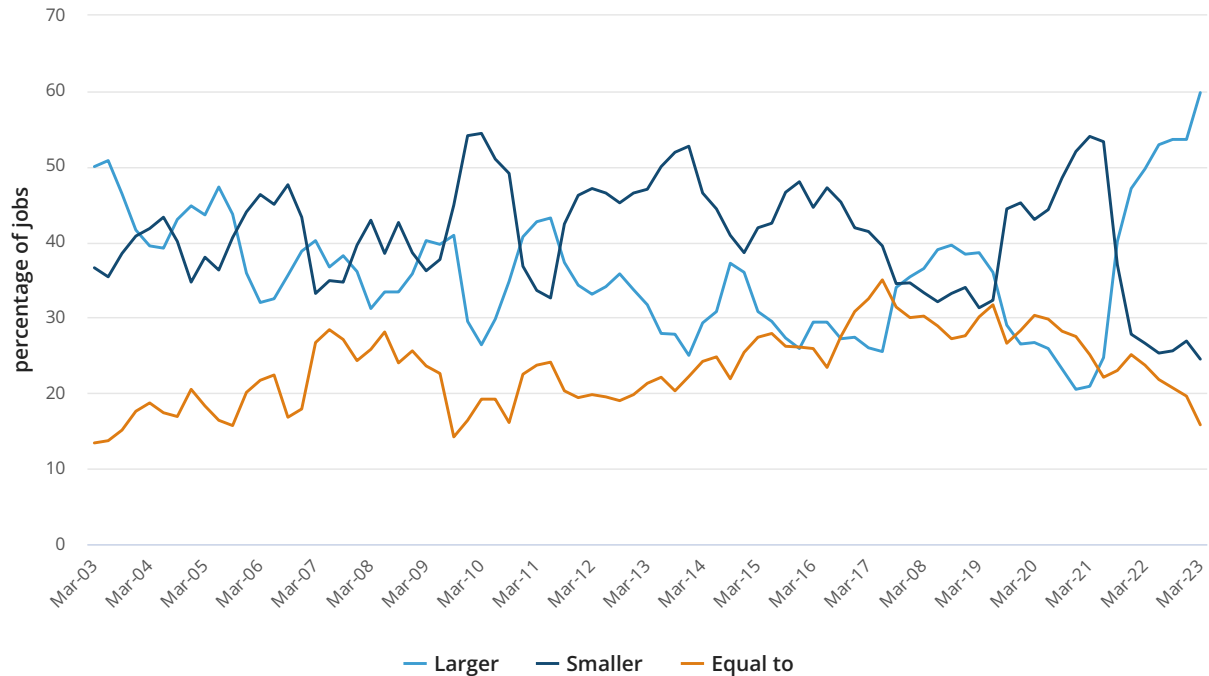


Wage growth insights

Since the beginning of 2021, analysis shows there was a significant increase in the proportion of jobs recording a larger annual wage rise compared to the same time last year.

March quarter 2023 saw 60% of jobs record a higher wage rise compared to the year before. This is the highest proportion recorded since the start of the analysis in 2003.

Size of wage increase compared to year before

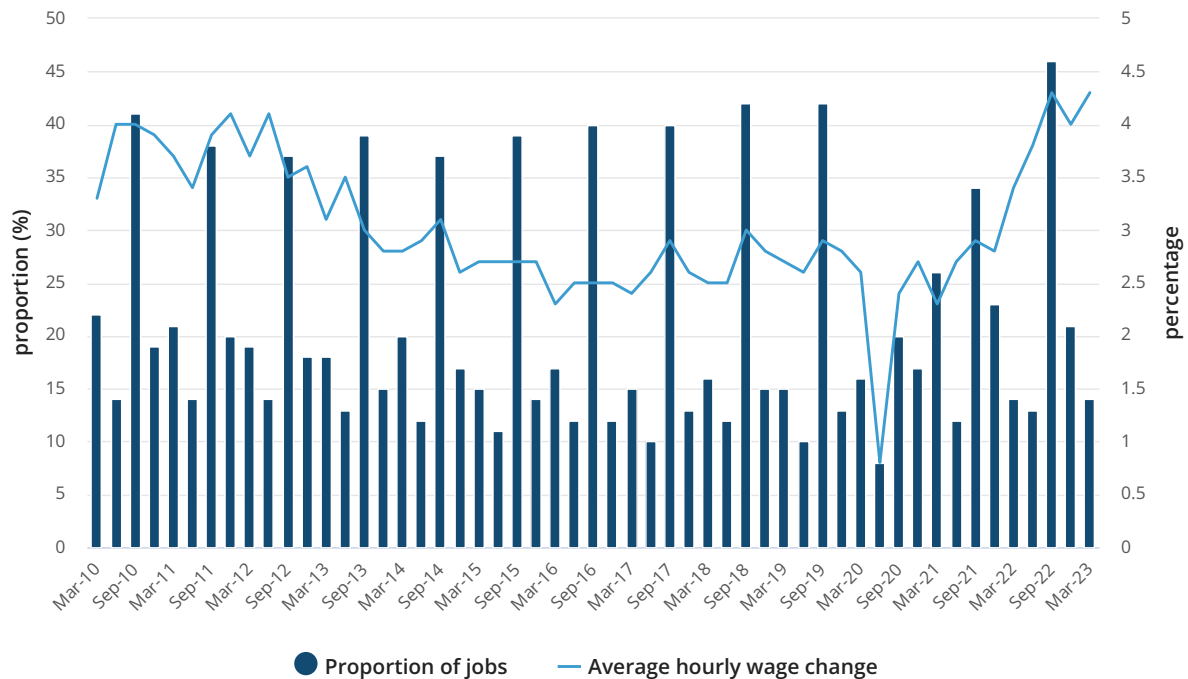


Sector wage growth

Private sector

The average hourly wage change for private sector jobs recording a wage movement was higher at 4.3%, compared to the same quarter last year (3.4%), suggesting ongoing tightness in sections of the labour market. However, the same proportion of jobs (14%) recorded wage growth in March quarter 2023 and March quarter 2022.

Quarterly wage dynamics in the private sector (a)

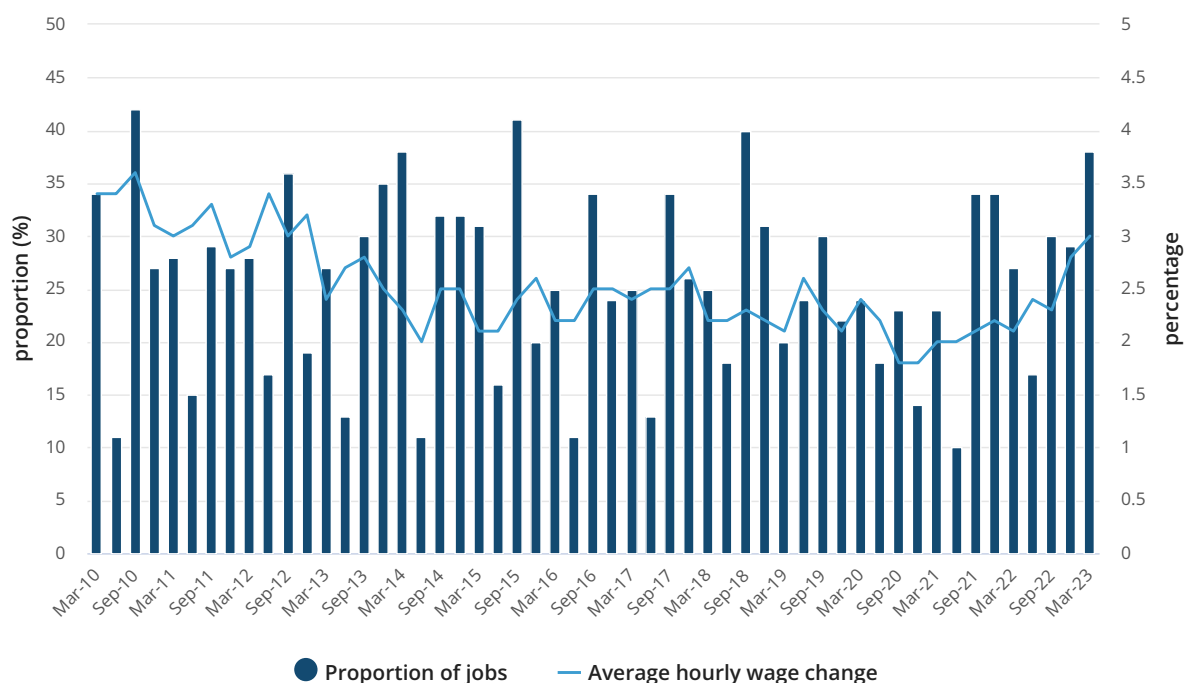


a. Average hourly wage change only includes jobs recording a wage movement in the current quarter.

Public sector

In the public sector, the average hourly wage change lifted to reach 3.0%, the highest recorded since December quarter 2012 (3.2%). Timing of enterprise bargaining, and state wage outcomes coupled with regular March quarter increases resulted in the highest proportion of public sector jobs to receive a wage rise in over four years.

Quarterly wage dynamics in the public sector (a)



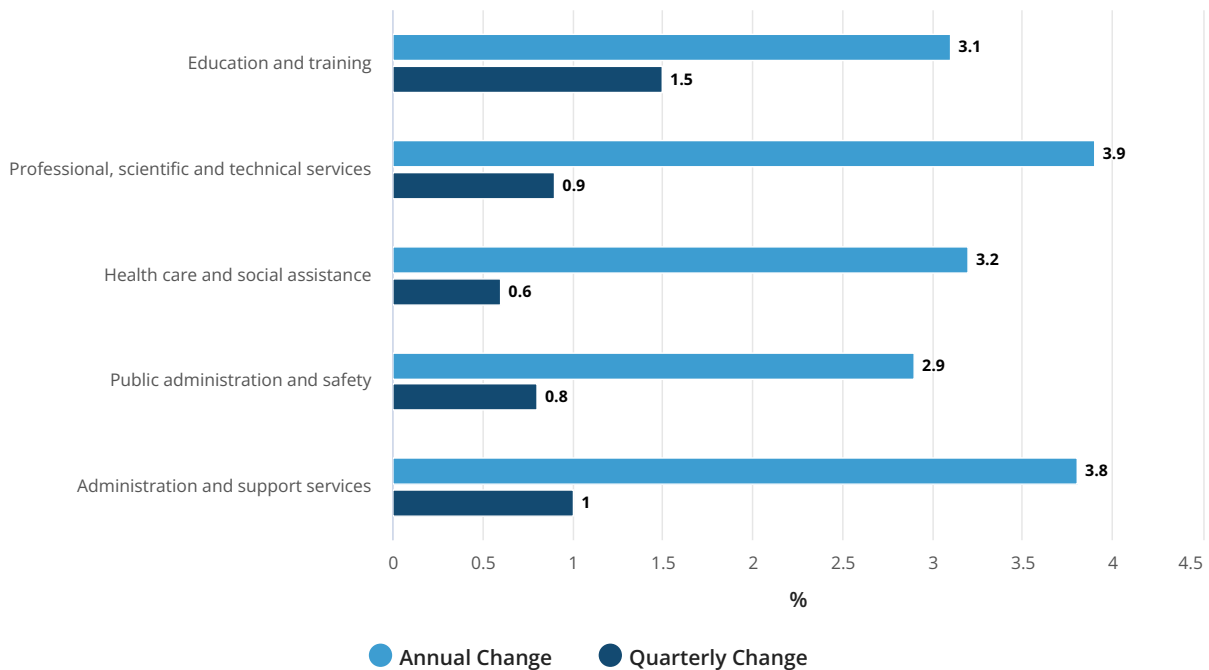
a. Average hourly wage change only includes jobs recording a wage movement in the current quarter.

Industry wage growth

Original estimates:

- Jobs in the Education and training (1.5%) and Professional and scientific services (0.9%) industries were the main drivers of wage growth this quarter.
- The Education and training industry recorded the highest quarterly index growth at 1.5%. Wage growth in this industry was driven by increases for jobs in New South Wales and Queensland primary education.
- The Accommodation and food services industry recorded the lowest quarterly growth (0.1%).
- The Wholesale Trade and Other services industries recorded the highest annual growth (4.4%). The Public administration and safety industry recorded the lowest annual growth (2.9%) across all industries.

Annual and quarterly movement - main contributors (a)(b)



a. Top five industries to the Australia level index, ordered by quarterly contribution to growth.

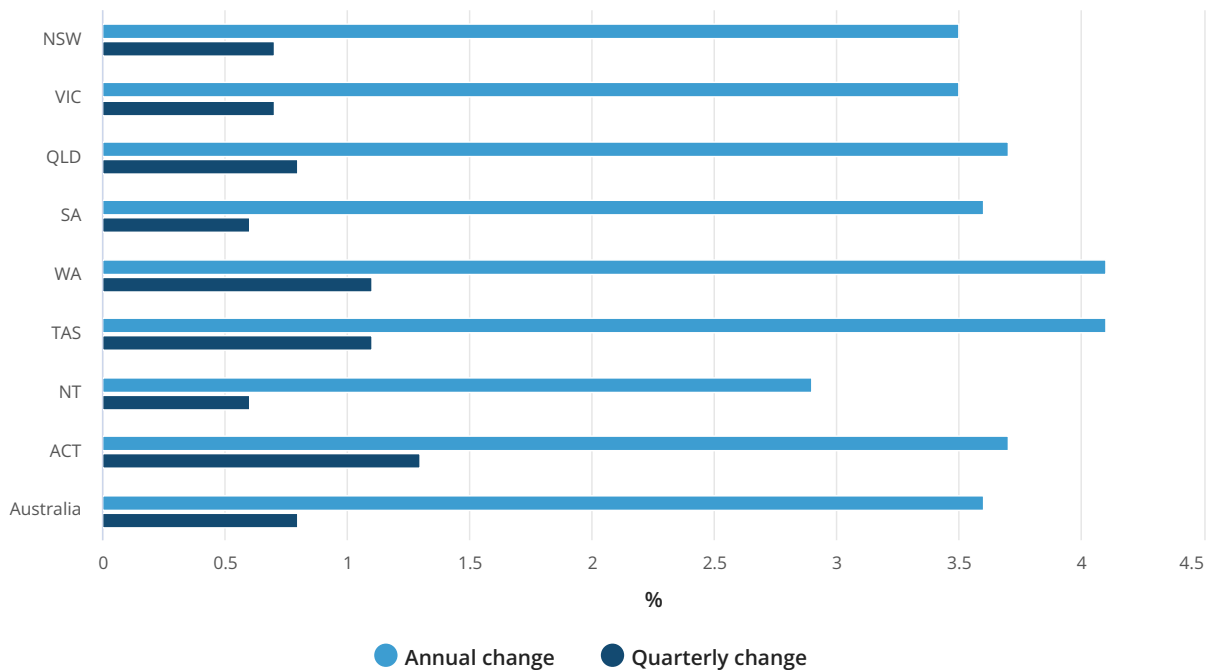
b. Index series is original, total hourly rates of pay excluding bonuses.

State and territory wage growth

Original estimates:

- The Australian Capital Territory had the highest quarterly growth at 1.3%. Western Australia and Tasmania had the highest annual increase in wages at 4.1%.
- South Australia and Northern Territory recorded the lowest quarterly growth at 0.6%. The Northern Territory recorded the lowest annual growth at 2.9%.

Annual and quarterly movement - states and territories (a)



a. Index series is original, total hourly rates of pay excluding bonuses.

Survey impacts and changes

Seasonal adjustment and trend

In June 2020, due to the large and unusual impact of COVID-19 on the economy, the private and All Sector series of the Wage Price Index were moved to the “forward factors” method for seasonal adjustment. This method (as described in the article on [Methods changes due to COVID-19 \(/articles/methods-changes-during-covid-19-period#abs-trend-and-seasonal-adjustment-during-covid-19\)](#)) is better suited in an uncertain environment as the seasonal factors are fixed for a 12 month period. The public sector series remained using the “concurrent” adjustment method, as the disruption was not observed in this sector. The trend estimates were suspended for all series at this time.

The ABS completed their annual review of seasonal adjustment in the WPI in June 2022 and

as a result reverted all series to “concurrent” adjustment, as the series had stabilised. The ABS also reinstated the trend estimates for all series in the WPI in June 2022.

Data downloads

I-Note

The wage price indexes in Tables 1, 2b, 3b, 4b, 5b, 7b, 8b and 9b are updated and released every quarter. The corresponding financial year wage price indexes in Tables 2a, 3a, 4a, 5a, 7a, 8a and 9a are updated and released each June quarter for the preceding financial year. There are no financial year indexes created for Table 1.

Time series spreadsheets

⬇ Download all (1.13 MB)

Table 1. Total hourly rates of pay excluding bonuses: sector, original, seasonally adjusted and trend

⬇ [Download XLSX](#)
[63.03 KB]

Table 2a. Total hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

⬇ [Download XLSX](#)
[51.23 KB]

Table 2b. Total hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

⬇ [Download XLSX](#)
[64.74 KB]

Table 3a. Total hourly rates of pay excluding bonuses: private sector by state, original (financial year index numbers for year ended June quarter)

⬇ [Download XLSX](#)
[51.23 KB]

Table 3b. Total hourly rates of pay excluding bonuses: private sector by state, original (quarterly index numbers)

⬇ [Download XLSX](#)
[64.73 KB]

Table 4a. Total hourly rates of pay excluding bonuses: public sector by state, original (financial year index numbers for year ended June quarter)

[!\[\]\(f4912148590488019602cab6e009e597_img.jpg\) Download XLSX](#)

[51.3 KB]

Table 4b. Total hourly rates of pay excluding bonuses: public sector by state, original (quarterly index numbers)

[!\[\]\(bd1a142de767a21e5362c595f844a4ff_img.jpg\) Download XLSX](#)

[65.21 KB]

Table 5a. Total hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

[!\[\]\(0aff635c4179ba9e710b00f4b01d3b20_img.jpg\) Download XLSX](#)

[73.93 KB]

Table 5b. Total hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

[!\[\]\(8bba887393ca45b761e5cb49e755e762_img.jpg\) Download XLSX](#)

[137.96 KB]

Table 7a. Hourly rates of pay including bonuses: sector, original (financial year index numbers for year ended June quarter)

[!\[\]\(bd3b31712ad9bab5a241210fa6925cdd_img.jpg\) Download XLSX](#)

[49.15 KB]

Table 7b. Hourly rates of pay including bonuses: sector, original (quarterly index numbers)

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[57.95 KB]

Table 8a. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

[!\[\]\(4436e6b00b9d5e62c2a161129eb3e4d0_img.jpg\) Download XLSX](#)

[51.26 KB]

Table 8b. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

[!\[\]\(e119fc79c8f448683d20ba4c873025a2_img.jpg\) Download XLSX](#)

[64.76 KB]

Table 9a. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

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[73.87 KB]

Table 9b. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

[!\[\]\(135faf555a2da147cc447132eda26e60_img.jpg\) Download XLSX](#)

[137.91 KB]

All WPI series: original (quarterly index numbers)

↓ [Download XLSX](#)

[129.74 KB]

All WPI Series: original (financial year index numbers for year ended June quarter)

↓ [Download XLSX](#)

[84.55 KB]

Data cubes - 6345.0 Distribution of expenditure on wages, wage price index, Australia

↓ [Download XLSX](#)

[162.2 KB]

Create your own tables and visualisations with Data Explorer

Caution: Data in Data Explorer is currently released after the 11:30am release on the ABS website. Please check the reference period when using Data Explorer.

[Wage Price Index \(https://explore.data.abs.gov.au/vis?fs\[0\]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df\[ds\]=ABS_ABS_TOPICS&df\[id\]=WPI&df\[ag\]=ABS&df\[vs\]=1.2.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly\[cl\]=MEASURE&ly\[rw\]=TIME_PERIOD&ly\[rs\]=TSEST%2CSECTOR\)](https://explore.data.abs.gov.au/vis?fs[0]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df[ds]=ABS_ABS_TOPICS&df[id]=WPI&df[ag]=ABS&df[vs]=1.2.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly[cl]=MEASURE&ly[rw]=TIME_PERIOD&ly[rs]=TSEST%2CSECTOR))

For information on Data Explorer and how it works, see the [Data Explorer user guide \(/about/data-services/data-explorer/data-explorer-user-guide\)](/about/data-services/data-explorer/data-explorer-user-guide).

Previous catalogue number

This release previously used catalogue number 6345.0.

Using price indexes

Price indexes in contracts

Price indexes published by the Australian Bureau of Statistics (ABS) provide summary measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis. Price indexes are also often used in

contracts by businesses and government to adjust payments and/or charges to take account of changes in categories of prices (Indexation Clauses).

[Use of Price Indexes in Contracts \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts) sets out a range of issues that should be taken into account by parties considering the inclusion of an Indexation Clause within a contract utilising an ABS published price index.

Frequently asked questions

The [Wage Price Index FAQs \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs) page has answers to a number of common questions to do with price indexes and the Wage Price Index, in particular.

Methodology

[Wage Price Index, Australia methodology, March 2023](#)